



STATE OF COLORADO

FLEXPLACE

Maximizing Efficiency by Working Smarter

Prepared by the Division of Human Resources in the Colorado Department of Personnel & Administration
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"Sometimes the best transportation policy means not moving people, but moving their work... Think of it as commuting to work at the speed of light." *President George Bush, March 8, 1990*

It is the policy of the State of Colorado to encourage the use of Flexplace as an alternative work option. House Joint Resolution 99-1044 also encourages voluntary efforts to help alleviate traffic congestion, which includes Flexplace. In addition, there have been numerous executive orders addressing alternative work arrangements. Flexplace is available to all state agencies as a management tool and its use is encouraged by the Department of Personnel and Administration. Individual agencies must decide how to implement Flexplace in a manner that is best suited to their individual culture. Employee involvement is encouraged as an agency develops its Flexplace program.

There are several key components to a successful program. These elements include careful selection of appropriate functions, selection of supervisors and participants, thorough orientation, careful planning, and monitoring and evaluating the arrangement. Management support and trust are critical. Finally, flexibility is a key in creating a program appropriate for the unique needs of the work unit and to make adjustments as issues arise.

Flexplace, when implemented properly, is an effective work option and management tool. Your agency should create a design team, which includes management and employees, to detail what your Flexplace program will look like and identify if Flexplace is a viable business option. Flexplace is no longer considered just another work-life benefit. It has become a powerful and successful business solution for managers.

What is Flexplace?

Flexplace is a term used to describe alternative workplace arrangements. Flexplace redefines the traditional understanding of a workplace or office. Rather than employees traveling to the traditional workplace, work can be brought (closer) to the employee. The most common type of Flexplace is known as telework or telecommuting. Telework is working from a home-based office for a designated number of days each week or selected days in a month.

Another type of Flexplace is the satellite office. A satellite office is a fully equipped office location, established by the employer, normally located in a suburban area. This location may be closer to the employee's home, thus reducing travel time and easing traffic congestion. An employee may work a designated number of days a week or month from a satellite office.

A telework center is the third option under Flexplace. A telework center is similar to a satellite office, except numerous companies both public and private, share the costs and space of an office designed specifically for work away from the traditional office.

Flexplace Facts

- 1) Flexplace is not an employee right or benefit. It is a discretionary management tool.
- 2) Flexplace may be permanent, lasting the duration of the Flexplace agreement, or temporary to accommodate an injury, illness, pregnancy, natural disasters, or planned events such as moving the office or a special project.
- 3) Participants' benefits, status, and salary do not change due to Flexplace.
- 4) Workers' Compensation, FLSA, FMLA, and other laws apply when working at an alternate office location.
- 5) Any pay premiums should be agreed upon, in writing, with the supervisor before Flexplace begins.

Generally, it is not recommended that Flexplace be used full-time, at least initially. Depending on the job and the schedule, Flexplace can range from one to four days in a workweek or a number of selected days in a month. However, full-time Flexplace may be acceptable in some cases because it provides an opportunity to employ talent that might not otherwise be available to come to the office site (e.g., persons with disabilities, or those in data occupations entirely computer-based.)

Flexplace Advantages

Flexplace offers the employer several advantages.

Flexplace Advantages

- 1) 78% - Increased flexibility
- 2) 59% - Attract workers
- 3) 50% - Less time and money wasted on commute
- 4) 42% - Eases burden on working parents
- 5) 37% - Increased productivity/efficiency
- 6) 26% - Reduced absenteeism
- 7) 26% - Reduced office space requirements

Study of Fortune 1,000 Companies (% reflects number of companies which reported item as top advantage) -Cutter Consortium LLC

- 1) *Increased efficiency and productivity.* The employee may benefit from quiet uninterrupted time and take advantage of flexible scheduling to maximize personal productive times (the employee has more energy in the morning or likes to work late) where the employer may instantly realize more efficient and productive work. The Statewide Flexplace pilot completed in the early 1990's found that a large majority of participating telecommuters and their supervisors realized employee effectiveness and productivity had increased, resulting in an overall improvement in job performance. The reported average by other employers is approximately 20%.
- 2) *Cost efficiency.* Flexplace reportedly saves \$2 for every \$1 spent on the arrangement. AT&T has reported a savings of \$3,000 per teleworker, annually. These savings are related to reductions in office space, equipment, employee parking and parking subsidies.
- 3) *Attracting and retaining employees.* It is sound business practice to use all available management tools to maintain a qualified, high-performing workforce, especially with changing demographics and values where money is no longer the leading motivator, and in situations where a tight labor market may exist.
- 4) *Improved management skills.* Flexplace allows managers to learn new ways to manage resources, including technology, real estate, and staff (the most valuable).
- 5) *Quality of life.* Flexplace presents an opportunity for a "win-win" situation by allowing managers to accommodate the needs of an increasingly diverse workforce while maintaining and even enhancing services and products.
- 6) *Reduced absenteeism.* According to the International Telework Association and Council (ITAC), absenteeism can be cut up to 60% due to Flexplace. Employees who telework use two to four fewer sick days per year.
- 7) *Reduced turnover.* Also according to ITAC, turnover may be reduced up to 20% with Flexplace programs.

Flexplace offers societal benefits.

- 1) *Air quality and energy conservation.* Fewer commute trips reduce air pollution and conserve transportation fuels (energy conservation), which in turn, reduce health costs related to air pollution.
- 2) *Reduced traffic congestion.* The Colorado General Assembly addressed Colorado's transportation crisis in a 1999 joint resolution that calls for employers to consider voluntary efforts, including telework, to reduce congestion. The resolution specifically encourages the executive branch to increase consideration of options such as Flexplace.
- 3) *Employment opportunities.* Flexplace programs may increase employment opportunities for those with a disability or those whose mobility is challenged. Flexplace also allows an employer to utilize unique skill sets in potential employees who do not live near the traditional office and who do not wish to relocate.
- 4) *Increased stability of service.* Telework may allow public services to continue uninterrupted during natural disasters, such as snowstorms, floods, and fires, when access to the traditional office may be hindered.

Flexplace offers advantages to the employee.

1) *Reduced travel time.* - Teleworkers save an average of 52.9 minutes of commute time each day. A commute time of 40 minutes equals eight extra working weeks per year. (ITAC)

2) *Reduced costs.* Savings are realized from employees spending less on clothing, dry cleaning, gasoline, parking, and other expenses associated with commuting to the traditional office.

3) *Greater flexibility.* Flexplace offers greater employee flexibility in balancing work and personal needs. There is more opportunity to coordinate work schedules with personal and family obligations. 57% of the class of 1999 graduating business students in 11 countries said attaining work/life balance is their top career goal. (PricewaterhouseCoopers survey, 2000)

4) *Increased job satisfaction.* Employees save money, have a greater work-life balance, and have more feeling of responsibility and control for their own jobs.

Flexplace Costs

By this point, you may have questions regarding cost. Managers may be thinking it sounds good, but how much will it cost my agency? Employees may be thinking; will I have to pay for expenses? The answers may vary depending upon the agency. In some cases, the employee provides his or her own existing equipment while in others the agency provides all or some of the equipment. Depending on budgets and individual job needs, the agency may buy or loan some or all necessary equipment, e.g., as equipment is recycled it is made available to telecommuters. An agency may also pay all or a

Equipment and Costs that may be associated with Flexplace programs:

- | | |
|--------------------------------------|--------------------------|
| - Computer hardware and software | - Furniture |
| - Fax machine | - Computer usage charges |
| - Telephone equipment | - Answering |
| - Telephone usage charges | machine/voicemail |
| - Long distance charges | - Equipment maintenance |
| - Cellular phone and monthly charges | and repair |

portion of related expenses, e.g., installation and ongoing charges for extra phone lines. Equipment needed may vary from a telephone and pencils and paper, to computers, fax machines, and cell phones. It is at the discretion of management as to which equipment, if any, will be provided and which costs will be paid. The Flexplace agreement needs to contain all provisions regarding who is providing equipment and who is paying for related costs to implement the Flexplace program. In many cases, the agency or employee already incurs associated expenses, thus up-front costs and monthly expenses are lowered or remain neutral. If an employee is participating in Flexplace, the agreement needs to address the bare minimum requirements for the employee to successfully complete job duties when working away from the office. If a telephone is needed, but a computer is not, the agreement needs to address who is supplying the

telephone and service. In most cases, the employee already has telephone service, so no additional cost is associated, unless long distance calls are required. All equipment and supplies provided by the State of Colorado remain the property of the State of Colorado and upon termination of the Flexplace agreement all equipment and supplies must be returned.

Participation

Flexplace participation should be voluntary and is at management's discretion. Flexplace is a management tool -- not an employee benefit or right. Just like any other assignment, managers retain the right to determine who will be approved. Management may also discontinue a Flexplace arrangement if it is not working or for other business reasons. It is also recognized that office space is a premium in some areas and that management may need to make Flexplace mandatory in select cases. The ultimate decisions always rest with management; however, it is recommended that Flexplace involvement be voluntary when possible.

Determining which jobs are suitable is the first consideration when attempting to implement a Flexplace program. For some job functions, Flexplace is simply not an option. Suitable jobs typically handle information and do not need physical resources that cannot be readily moved. For example, jobs based primarily on direct, in-person contact (e.g., direct health care providers, patrol officers) are not good Flexplace candidates. Good candidates are jobs requiring high telephone contact or quiet time for uninterrupted thought, such as planning, analysis, writing, reading, creating, calculating, drawing, and programming.

Characteristics of a Good Telecommuter:

- Self-directed
- Self-motivated
- Good performance
- Well-organized
- Good communication skills
- Flexible
- Independent
- Focused
- Dependable

The next consideration is which employees to select. Even when the job is appropriate for Flexplace, not all employees are suited for the arrangement. Each agency will determine the process to apply for and select telecommuters. Telecommuters must have managerial approval.

One consideration should be the employee's need for social interaction. Some employees perform better and actually thrive off of the social environment created by the traditional office. Another factor is job expertise. It is recommended that an employee be fully trained and proficient in the current job assignment. Managerial trust is also critical. The employee must be trusted to do the work assigned and manage time appropriately and the supervisor must be trusted to manage by results. Lastly, the

Characteristics of a Good Telemanager:

- Positive attitude for teleworking
- Manages by results
- Well-organized
- Delegates work easily
- Good working relationship with employees

most critical aspect is communication skills. The longer the employee works out of the office, the greater the possibility for feelings of isolation. It is critical the employee communicates well with the manager and co-workers. Ideally communication should have no breakdown and be virtually transparent to most, especially customers, when the employee is working out of the office.

It is important to consider the characteristics and qualities of both parties because a successful Flexplace program is based on the Flexplace team, which consists of the employee and the manager.

Possible Drawbacks or Pitfalls

Experience and research have identified common pitfalls or drawbacks, which new Flexplace arrangements may face. Adequate planning, training, and orientation are a great way to prepare for these pitfalls. Remember, Flexplace is not appropriate for some jobs and even for some individual employees or managers. This is not necessarily a bad thing; Flexplace is not suitable or optimal for everyone. Listed below are some common pitfalls that agencies and employees may encounter:

- 1) *Two words - Organizational Culture.* Managers may fear losing control. The relationship between amount of time spent in the office and productivity is not a valid assumption in many office settings. If employee A is in the office twice as much as employee B, then employee A must be more productive, right? Not necessarily. Managers must learn to evaluate effectiveness and productivity based upon results. If employee B is in the office half as much as employee A, but produces twice as many reports at a higher quality, who is the more productive worker?
- 2) *Co-workers don't know when telecommuters will be in the office. There is a general sense that the telecommuter is "never around".* To avoid this, make certain to have a regular schedule that everyone is familiar with and avoid more than 2-4 days out of the office in a week.
- 3) *There is a reluctance to call telecommuters at home on their telecommute days.* This requires adequate training and education for all employees. Stress that the telecommuter is not at home; they are simply working away from the office. Of course be wary of the opposite as well. If Flexplace participants are contacted too often, productivity and efficiency may be affected, which defeats the basic purpose and goal of telecommuting. A planned and managed communications cycle is very important. Ideally the affect on the office should be transparent, otherwise the position or the office may not be ready for Flexplace.
- 4) *Telecommuters are reluctant to leave the phone on their telecommute days, even to use the restroom or take a break, because someone who called might think they are not working. It is common for a teleworker to work 1-3 additional hours per day, because of the "fear".* The "fear" for either side must be addressed. The manager must trust that the teleworker is using work time

efficiently and effectively and the teleworker must trust that if a phone call goes unanswered, the manager will not assume work is not being done. It is impossible to answer all phone calls every day when working regularly in the traditional office. Expectations must be realistic and identified when implementing Flexplace. If the required level of trust and comfort are not present, the participants may not be ready for Flexplace.

- 5) *Flexplace is not a substitute for child or adult care.* A Flexplace participant must maintain adequate child or adult care arrangements while working out of the office. Flexplace may offer more flexibility when scheduling family appointments and dealing with emergencies, but having a child present while telecommuting may become a distraction.
- 6) *Flexplace will not solve problems with relationships among family members.* In fact, participants need to be aware that relationships with family and neighbors have to be adjusted to tolerate telecommuting. Space and scheduling arrangements need to be worked out with family and even neighbors in certain circumstances.
- 7) *Employees may fear and even experience isolation.* It is important to establish and maintain a regular contact and communication schedule. Isolation is less likely to happen when Flexplace is utilized for only 2-3 days per week, which allows Flexplace participants to still maintain social relationships with co-workers in the office. A regular communication plan, which is agreed upon before implementation, can also help to alleviate feelings of isolation.
- 8) *The alternate office is inadequate and not suited for effective and efficient work.* The alternate office should be ideally isolated in some way from distractions. If the alternate office is in a small apartment, with a roommate, in a noisy neighborhood, with flimsy walls and three children running in the apartment upstairs, even a highly motivated and organized teleworker may have trouble concentrating.

Characteristics of an Ideal Home Office

- 1) Separated from the rest of the house. A separate room or part of a room divided by a physical partition.
 - 2) Office equipment (a comfortable chair, desk, file cabinet, etc.)
 - 3) Work area is well lighted.
 - 4) Needed equipment and supplies are readily available.
 - 5) Safety regulations are followed.
- The teleworker is covered by Worker's Compensation while working at an alternate location. The employer is responsible to ensure safe working conditions within the home workspace.

Training and Pilot Program

Now, you feel you are ready and have the information needed. You know the benefits and are aware of possible pitfalls. You have selected participants and are ready to implement a Flexplace program. Or are you? Training is a critical key to success. Flexplace calls for different working relationships which means that the necessary skills may not exist in the current setting. Before telecommuting begins, participants and their supervisors should complete orientation to address the practical aspects and skills of

telecommuting. At the end of orientation, a joint work plan can be developed and a telecommuting agreement signed by both parties. For questions on orientation and training, please contact the Statewide Work-Life Coordinator.

It is also recommended that a pilot Flexplace program be considered, if your agency is new to Flexplace. A statewide pilot program was completed in the early 1990's. The final report for the Flexplace Pilot Program may be obtained by contacting the Statewide Work-Life Coordinator.

Evaluation

Periodic evaluation of your Flexplace program or pilot is critical. For your current Flexplace programs, it is recommended that an evaluation takes place at least on a yearly basis and may coincide with performance reviews. When a pilot program is initiated, it is recommended that evaluations be completed at three points: before, during, and after. The frequency and type of information needed for effective evaluation depends on your agency and desired business needs.

What Information Could Be Included in Flexplace Evaluations?

- Training -- time spent plus cost of materials;
- Computer and related costs -- hardware, software, phone line installation, etc.;
- Insurance -- increases or decreases in home, auto, or the state's insurance rates;
- Leasing -- decreases in leased office space;
- Energy consumption -- utilities (gas and electric) and car fuel;
- Trip reduction -- use or mileage for cars and buses, parking fees;
- Dependent care -- changes in child or adult care expenses;
- Leave usage;
- Work results -- both individual productivity/efficiency and comparisons with non-telecommuting co-workers;
- Turnover;
- Food and clothing expenses;
- Phone usage and costs; and,
- Quality of life -- level of stress, satisfaction, alienation; impact on families, work units, and communications/relations with in-office workers and customers.

Forms

The Work-Life Group has created various forms and documents. These documents include the Flexplace agreement, participant orientation and training workshop information, Flexplace checklists, and more. You are free to use these forms or to create your own, using these as a model. It is critical that a Flexplace agreement form is completed, which documents the arrangement. Please keep a completed agreement form with the employee's personnel file and review at least annually. These forms and

documents may be accessed through the work-life website, or by contacting the Statewide Work-Life Coordinator.

Keys to A Successful Flexplace Program

- Planning – A design team should include management and employees.
- Selection – Flexplace may not be optimal for everyone.
- Training – Flexplace creates a different environment, be prepared.
- Pilot Program – Start small; ensure your agency is ready for Flexplace.
- Communication – The key to any successful Flexplace program.
- Evaluation – Get the information to take necessary steps to ensure needs and goals are being met.

For more information, call your agency human resources office. The Statewide Work-life Coordinator at (303) 866-2391, can also provide information.

Flexplace Checklist

How to Set Up a Flexplace Program

- ✓ **Form a design team**
 - This team should include members from both management and staff.
 - Define and address the issues – document and analyze if Flexplace is a viable business tool with defined benefits and options.
 - A Flexplace plan proposal for your agency should be created.
- ✓ **Present the proposal to your agency top management**
 - Consider a pilot – if your agency is new to Flexplace, a pilot program before full implementation, can be very beneficial.
 - Gain management support and approval – positive management support is critical.
- ✓ **Select the participants**
 - Develop a screening mechanism for employee and management participants.
 - Identify costs – document any and all costs associated and who is responsible.
- ✓ **Orientation/training of participants**
 - Work unit – telecommuters and supervisors should complete the orientation package. Co-workers may need orientation.
 - Alternate office visit – participants need to ensure the alternate office is adequate, safe, and all needed resources are available.
 - Agreements – both the employee and manager must sign an agreement detailing all items previously discussed and agreed upon.
- ✓ **Periodically evaluate the program**
 - Program is a success? Decide if Flexplace program should continue.
 - Periodic evaluations of the program, agreement, and conditions are vital.